

## STATEMENT OF PURPOSE

**RS23354**

The purpose of this legislation is to amend the powers of the Idaho Energy Resources Authority ("Authority") to: (i) confirm that the Authority is not a taxing district and cannot file for bankruptcy, (ii) further clarify that the Authority may pledge and assign its interest in a facility to a participating utility for whom it is providing financing, and (iii) provide an additional power to the Authority so that it may finance conservation measures for a participating utility that is a federal agency – i.e., the Bonneville Power Administration ("BPA" or "Bonneville").

These amendments to the powers of the Authority are necessary so that the Authority can more efficiently and effectively provide third-party financing to BPA. Bonneville relies on third party financing from the Authority to construct electrical transmission and distribution facilities throughout the northwest, and to acquire conservation resources for the electric utilities BPA serves. Investments by BPA, using funds supplied by the Authority, enhance the reliability of the electrical system in Idaho and the region. Bonneville would like additional assurances from the Authority, which this legislation provides, that financing provided by the Authority to BPA is: (a) protected from any other financings the Authority may provide to non-BPA participating utilities, and (b) BPA financed assets by the Authority are not subject to federal bankruptcy law.

To the extent that BPA also wishes to finance its acquisition of conservation resources, instead of expensing those expenditures, this legislation would allow BPA to finance acquisition of conservation resources through the Authority.

## FISCAL NOTE

This legislation has no impact on state or local revenues.

### Contact:

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